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## THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Officers

24 August 1979

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

VIA : Deputy Director for National  
Foreign Assessment

National Intelligence Officer  
for Warning

FROM

Assistant National Intelligence Officer  
for China

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SUBJECT : Monthly Warning Assessment: China

1. The Sino-Soviet Situation

Analysts reviewed the recent evidence without appreciably changing judgments regarding the evolution of the situation. They noted that evidence was accumulating that a sizable faction within the ministry of foreign affairs was in favor of improvement of relations, but there was no direct evidence these sentiments were shared by top-level officials. They noted also that preliminaries regarding the talks to be held in Moscow in September has not yet been completed, and that the Soviets were continuing to increase their military force along the border. On the other hand, they took into account the evidence that FBIS had accumulated that each side was positioning itself for an improvement of relations. At this juncture the bottom line appeared to be that the jury was out and the burden of proof remained on those who would argue that some improvement of relations was in the cards. Tacit agreement continued that any improvement in relations would be modest and would take considerable time to achieve.

2. The Indochina Situation

Analysts chewed over the available evidence regarding troop movements and other indications of increased Chinese military interest in the Vietnamese border. The general consensus was that the evidence

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then available did not warrant much alarm. [REDACTED]

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[REDACTED] The information on troop movements was tenuous, not fully reliable and subject to varying interpretations. The general conclusion was that the situation remained largely unchanged. Analysts noted, however, that Pol Pot had been unable to mount significant rainy-season offensives, and that it was a foregone conclusion that Vietnam would press hard against his remaining forces when the ground dried.

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Subsequent information--indications that perhaps four Chinese armies were moving toward the border, two from as far away as the Wuhan Military Region, [REDACTED]

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[REDACTED] obviously change these judgments. Analysts contacted informally concluded uniformly that these indicators were significant, but judged that it was too early to pronounce on Chinese intentions. No aircraft augmentation has been noted, [REDACTED]

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[REDACTED] This appears to be a situation to watch closely, but not one requiring hitting the panic button. It is worth noting, however, that the Vietnamese appear to have the wind up.

### 3. The Internal Situation

Analysts agreed that there had not been significant movement in this area in the past month. There were abundant signs that Deng Xiaoping was beginning a counterattack to regain ground lost since the ending of the war against Vietnam. It was impossible to tell if or how far the pendulum would swing back. In any event, analysts agreed that the situation did not warrant concern that a major purge or other unraveling of the Chinese leadership was imminent. It was noted that the indicators that Deng had indeed lost considerable ground in the past four months was increasingly abundant; it was again emphasized that there was no indications that he was or had been in any danger of a purge. There was also general agreement that the Vice President would not be seriously buffeted by the effects of internal quarreling during his visit. Deng's commanding role in nurturing the Sino-US relationship was again noted, and analysts showed some concern that there was no viable replacement for him in this capacity on the horizon.

### 4. Taiwan-Mainland Relations

This topic was only briefly discussed by analysts. It was noted that Beijing continues to play down its military option vis-a-vis Taiwan while making wooing noises toward Taipei. They

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observed that Taipei's efforts not to appear overly obstructive and obdurate could lead the Nationalists into awkward situations, such as the one they now confront regarding agricultural cooperations between the island and the mainland. Analysts saw the possibility of cooperation in a number of areas in the future, but agreed that future, if it came, was still a long way off.

5. China-Pakistan

The question of Pakistani observers attending the upcoming Chinese nuclear test was raised very briefly. It was agreed that the evidence for this or for other, highly speculative, cooperation in the nuclear field was both tenuous and ambiguous.

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